



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

COGNIZANT AGENCY  
NEGOTIATION AGREEMENT

Page 1 of 2

Commonwealth of Virginia  
Department of Environmental Quality  
Richmond, VA

Date: May 31, 2019

Filing Ref: May 2, 2018

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular 2 CFR 200 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
Fixed	7/1/2019	6/30/2020	28.50%	(a)

Basis for Application

(a) Direct salaries and wages excluding fringe benefits.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs and charged in accordance with rates established by the State.

SECTION II: GENERAL

A. LIMITATIONS: The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. CHANGES. The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.

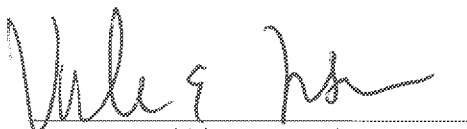
D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me. Please retain a copy for your records.

ACCEPTANCE

The undersigned official warrants  
that he/she has the proper authority  
to execute this agreement on  
the behalf of the State Agency:

By the Federal Agency:

  
(Signature)

Valerie E Thomson  
(Name)

Director of Administration  
(Title)

VA DEQ  
(Agency)

6/10/19  
(Date)

JACQUELINE  
SMITH

(Signature)

Digitally signed by JACQUELINE  
SMITH  
Date: 2019.05.31 13:44:43 -04'00'

Jacqueline Smith, Rate Negotiator  
National Policy, Training and  
Compliance Division  
U.S. Environmental Protection  
Agency

Negotiated by: Jacqueline Smith  
Telephone: 202-564-5055